

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 562 - HB 694

February 20, 2013

SUMMARY OF BILL: Extends, from two to five years, the time period that permanent disabled parking placards are valid. Increases, from \$3.00 to \$7.50, the renewal fee for permanent parking placards.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$492,000/FY13-14, FY14-15, and FY15-16

Increase State Revenue – \$738,000/FY16-17 and FY17-18

**Decrease State Expenditures – \$36,600/FY13-14, FY14-15, and FY15-16
\$21,900/FY18-19 and Subsequent Years**

Other Fiscal Impact – The net impact to state revenue over any five year period will be zero because the cumulative loss of revenue during the first three years is offset by the cumulative increase during the last two years.

Assumptions:


- According to the Department of Revenue, approximately 164,000 placards are issued each year.
- There will be no renewals in FY13-14 through FY15-16.
- Placards that were issued in FY11-12 and FY12-13 will be renewed in FY16-17 and FY17-18 respectively.
- The precise number of placard renewals cannot be reasonably estimated for FY18-19 and subsequent years.
- The decrease in state revenue in FY13-14 through FY15-16 is estimated to be \$492,000 (\$3.00 x 164,000).
- The increase in state revenue in FY16-17 and FY17-18 as a result of the \$4.50 fee increase (\$7.50 - \$3.00) is estimated to be \$738,000 (\$4.50 x 164,000).
- The state cost of producing a parking placard is approximately \$0.223
- The decrease in state expenditures in FY13-14 through FY15-16 due to the reduction in the number of placards produced is estimated to be \$36,572 (\$0.223 x 164,000). There

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will be no change in state expenditures in FY16-17 and FY17-18. The decrease in state expenditures in FY18-19 and subsequent years is estimated to be \$21,943 [(\$36,572 x 3) / 5].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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